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THE Livestock and Wool SITUATION

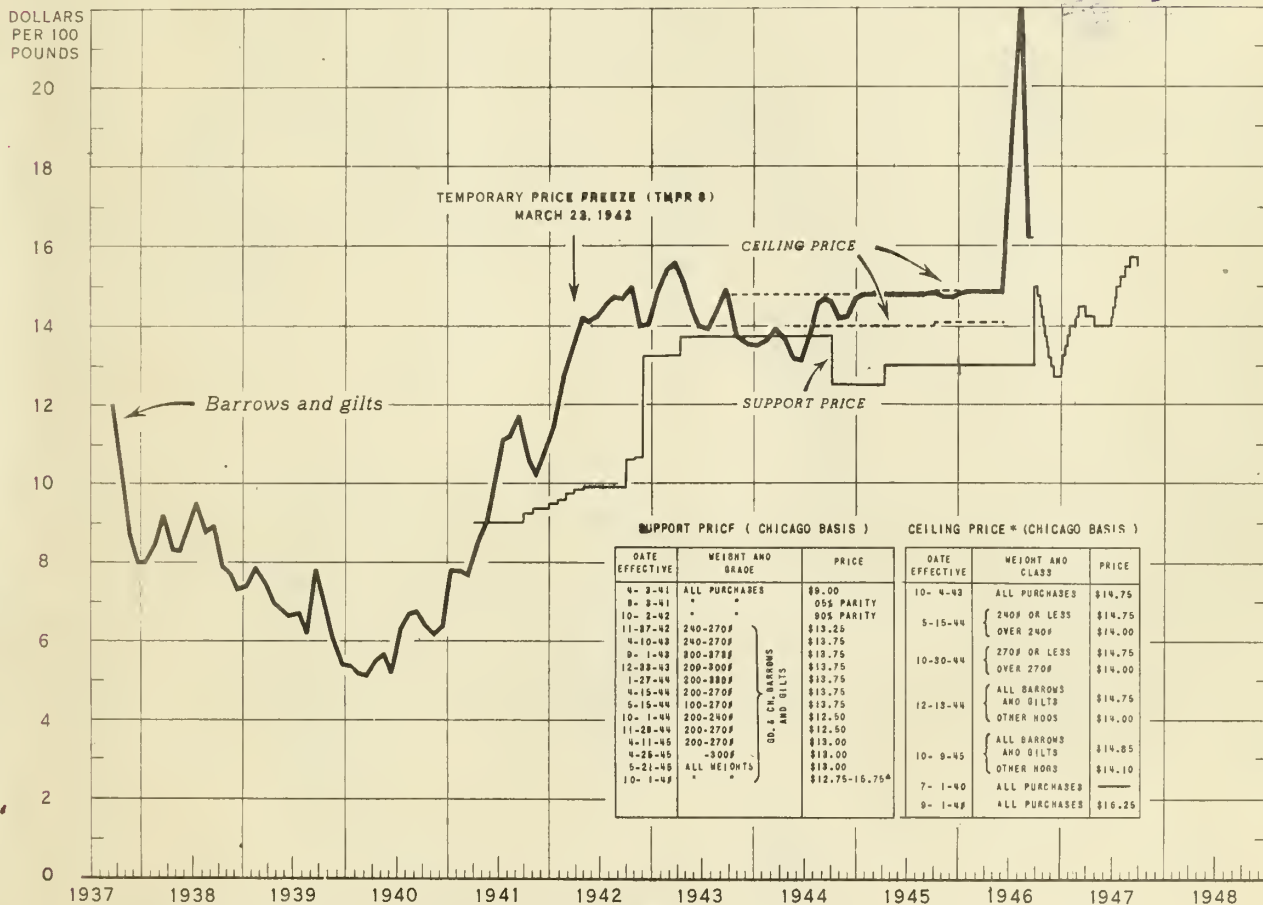
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LWS - 50

BAC

OCTOBER 1946

PRICE OF BARROWS AND GILTS PURCHASED AT CHICAGO, 1937-46



* DOES NOT APPLY ON HOGS SOLD FOR FEEDING OVER 30 DAYS, FOR BREEDING, TO SERUM MANUFACTURERS, OR BY NATIONAL YOUTH ORGANIZATIONS
* VARIED SEASONALLY TO AVERAGE AROUND \$14.25 FOR MARKETING YEAR

U. S. DEPARTMENT OF AGRICULTURE

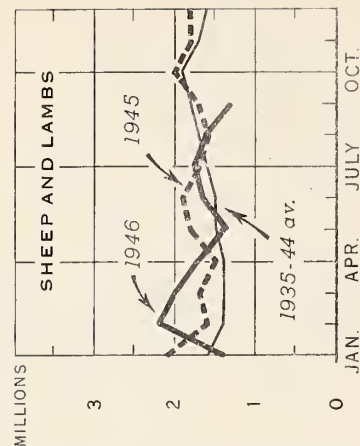
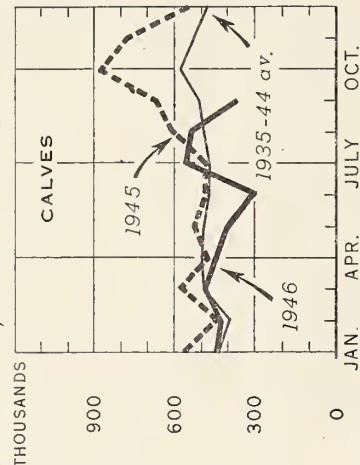
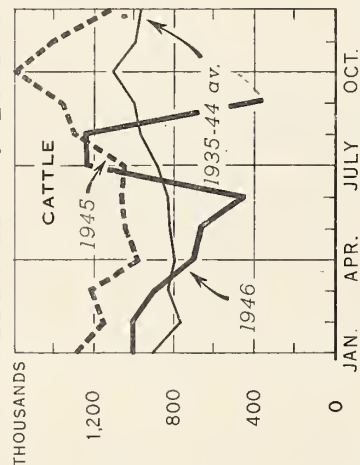
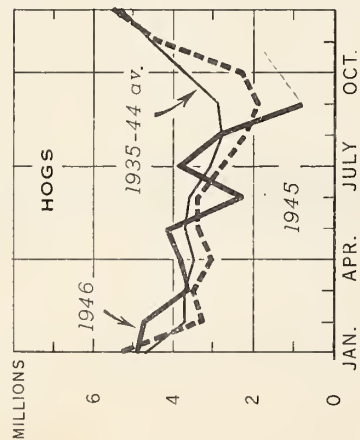
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BUREAU OF AGRICULTURAL ECONOMICS

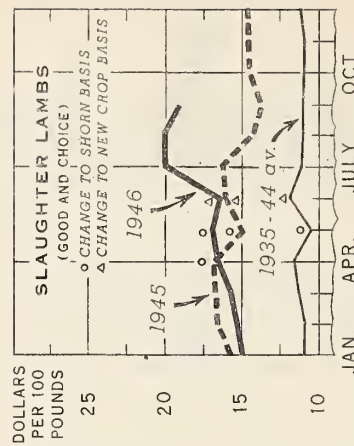
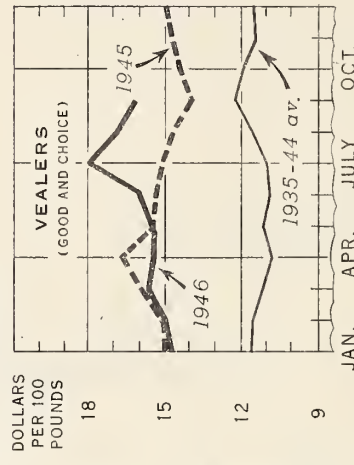
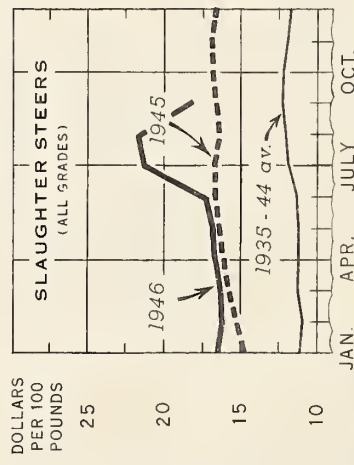
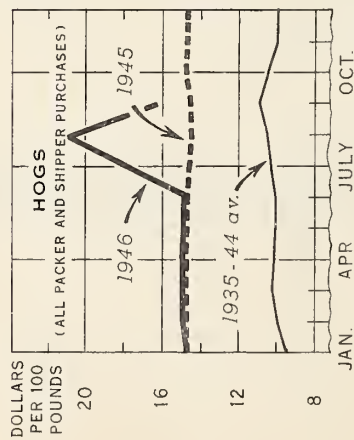
Consumer incomes are expected to continue high at least through early 1947, and with the prospect of relatively small slaughter supplies of hogs in the spring and summer of 1947, hog prices are likely to continue well above support levels throughout most of the hog marketing year.

LIVESTOCK SLAUGHTER, PRICES AND MARKETINGS, MEAT PRODUCTION AND STOCKS, AND HOG-CORN PRICE RATIO

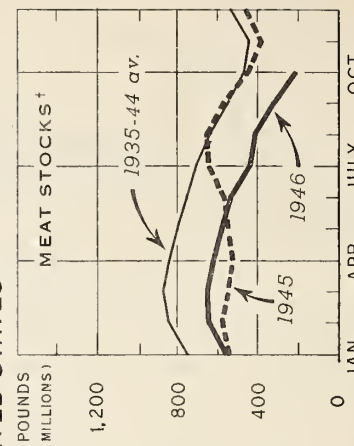
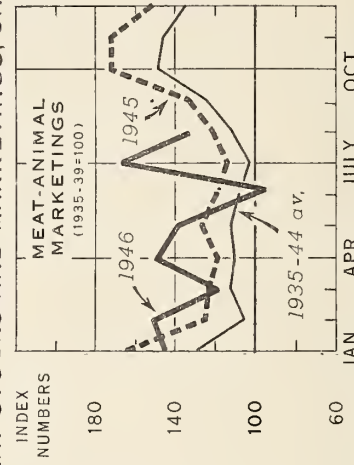
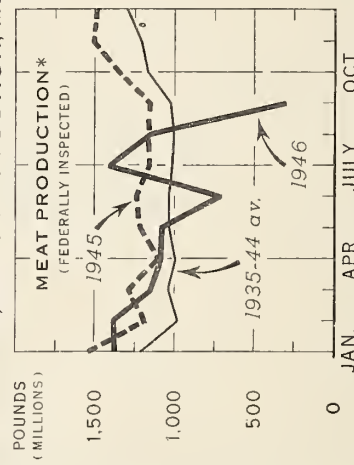
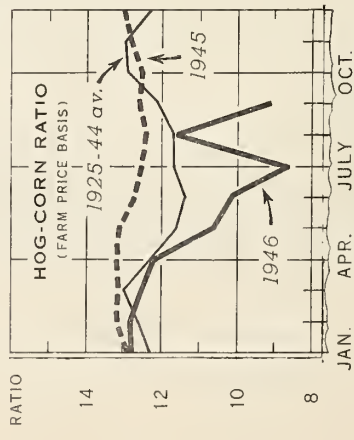
FEDERALLY INSPECTED SLAUGHTER, UNITED STATES *



MARKET PRICES AT CHICAGO



HOG-CORN PRICE RATIO, MEAT PRODUCTION, MEAT STOCKS AND MARKETINGS, UNITED STATES



* INCLUDES SLAUGHTER IN "FULMER" PLANTS SINCE 1941, NOT PREVIOUSLY UNDER FEDERAL INSPECTION

† BEEF, LAMB, MUTTON, PORK, AND MISCELLANEOUS MEATS IN MEAT PACKING PLANTS AND COMMERCIAL COLD STORAGE HOUSES, BEGINNING OF MONTH

 THE LIVESTOCK AND WOOL SITUATION

Approved by the Outlook and Situation Board, October 25, 1946

:		:
:	<u>Contents</u>	:
:		<u>Page</u>
:		:
:	Summary	3
:	Outlook	5
:	Government Actions	9
:	The Wool Situation	11
:		:

SUMMARY

Meat production in 1946 as a whole may be about a billion pounds under the 22.9 billion pounds produced in 1945, with most of the reduction in September and early October. Slaughter of cattle, calves, and hogs during the balance of 1946 is expected to run ahead of last year. Slaughter of sheep and lambs, however, is likely to continue less than last year because of the smaller number of lambs available from the reduced lamb crop.

In 1947, production of meat probably will be at least as large as in 1946 and may be larger. Cattle marketings are likely to continue large throughout the winter and spring, as many producers believe that the high prices now prevailing will not be continued into 1947-48. Hog slaughter through March will be about as large as a year earlier as the balance of the 1946 spring pigs come to market. A more-than-seasonal reduction in hog slaughter is in prospect, however, for the spring and summer months, as the result of the sharp drop in the size of the 1946 fall pig crop. Because of the current high prices for hogs and prospective high prices for corn, the number of sows and gilts bred for spring farrow is likely

to show a substantial increase over last year. The spring pig crop of 1947 probably will be the largest since the record crop of 1943. This will mean a substantial increase in hog marketings in the fall and winter of 1947-48.

Despite reduced pork output in the spring and summer of 1947 and a probable further reduction in output of lamb and mutton, civilian supplies of meat for 1947 as a whole will be at least as large as the 145 pounds per person consumed in 1946. Exports of meat are expected to be smaller than in 1946. The reduction will result from the curtailment of UNRRA, larger-than-prewar supplies in the principal meat-exporting countries of the Southern Hemisphere, and the high prices that are likely to prevail in the United States. Military takings also will be less next year than this.

A heavy movement of cattle and hogs followed the removal of price control on meat and meat animals on October 15. Prices of meat animals rose to extremely high peaks, but as the number of animals increased, prices declined irregularly. On October 21, prices of cattle, hogs, and lambs were under the peak prices reached in the preceding week, but were still greatly above the former ceiling levels. As marketings increase seasonally this fall and winter, prices of cattle and hogs may decline further. However, prices may again advance in the spring, when hog marketings will decline fairly sharply and cattle marketings will be down seasonally. There are some indications that overall consumer demand may weaken in 1947. Should this develop, prices of meat animals probably would be lower in the marketing year beginning October 1947 than during the current season.

Commodity Credit Corporation selling prices for most domestic wool were increased about 1 to 5 cents a pound, scoured basis, effective October 14, to bring prices in line with parity as provided under present legislation. CCC will continue until April 15, 1947 to purchase wool at 1946 support prices, which average about 15 percent above the revised selling prices.

Prices of fine wools have advanced quite sharply in foreign markets since auctions of British Dominion wools were resumed in September. In mid-October, they appeared to be somewhat higher than CCC selling prices for fine wools, when converted to an equivalent duty-paid basis.

Mill consumption of apparel wool in August was at an annual rate of 1,100 million pounds grease basis. This was 20 percent higher than in July when many mills were closed for workers' vacations, and was 4 percent higher than the January-June rate. Consumption seems likely to continue close to this rate into the early part of 1947, since outstanding mill orders are large and production of many clothing items is still far short of demand. Use of domestic wool has been increasing in recent months, and the shift to domestic wool seems likely to continue if higher prices continue in foreign markets.

OUTLOOK

1947 Meat Output May Exceed 1946 Production

Total meat production through August 1946 apparently was about the same as a year earlier, with larger pork output offsetting reduced beef and veal output.

Meat production in September reached record low levels. Federally inspected hog slaughter was reported at 438,000 head compared with 1.9 million head a year earlier and was the lowest comparable slaughter of record dating back to 1879. Cattle slaughter at 360,000 head was only one-fourth as large as in September 1945, and was the smallest for any month since 1888. Calves slaughter was the lowest for the month since 1928. Sheep and lamb slaughter totaled 1.3 million, 300,000 less than a year earlier and the lowest for the month since 1928. Receipts of livestock at

terminal markets continued low in early October, showing little increase over the low September marketings. But slaughter of hogs and cattle increased materially following removal of price controls October 15.

Consumer meat supplies were at a record or near-record low in early October. October 1 meat and edible offal stocks in commercial cold-storage warehouses and meat-packing plants totaled only 234 million pounds, about 5 days' supply, compared with 500 million on hand a year earlier. Stocks were the lowest for any month of record.

Withholding of cattle and hogs from market in September and early October will result in relatively large marketings this fall and winter. Total marketings of fed cattle through the first 9 months of 1947 will be larger than a year earlier. Marketings of grass-fat cattle for the year 1947 as a whole may be about as large as the record marketings for slaughter in 1945. The total number of cattle on farms at the end of this year will still be at high levels, and prices this winter probably will have passed the peak.

Meat production in 1947 as a whole probably will be at least as large as in 1946. Delayed marketings of 1946 spring pigs into 1947 will not fully offset the prospective decrease of around 5 million fall pigs for market in the spring and summer of 1947. An increase in the 1947 spring pig crop is in prospect, but these hogs will not be ready for market until the fall and winter of 1947-48. Lamb and mutton production will be down, with the prospect of a smaller lamb crop in 1947 and possibly fewer lambs to be fed this winter. But beef and veal production may be larger than in 1946. Civilian meat supplies for 1947 may average around 145 pounds per capita, dressed meat basis, compared with the 148 pounds of 1944, which was the largest since 1911.

Cattle Marketings Sharply Lower in September
and Early October; Large Numbers of
Cattle Moving to Feed

July and August receipts of cattle and calves at 67 markets were 19 percent greater than a year earlier. However, marketings were reduced around 31 percent (868,000 head) in September and showed little increase, if any, in early October. Normally marketings after August increase rather sharply to an annual high in October, with peak shipments from the western range States.

Producers in the western range States usually market most of their cattle in the fall and early winter when pastures deteriorate and the cattle no longer make good gains on pasture. Producers also reduce their herds in line with their winter feed supplies. It is an unusual practice for ranchers in that area to market a large proportion of the cattle after the turn of the year, as by that time such cattle are partially wintered and would likely be carried over for another season of grazing. Western cattlemen are in a good position in regard to feed supplies for the coming winter, but they apparently still have a large number of cattle to be marketed before winter.

In addition to the large numbers of grass-fed cattle now coming to market, the slaughter supply will be augmented in a few months by large

numbers of grain-fed cattle. Shipments of stocker and feeder cattle into the 11 Corn Belt States from July through mid-October this year were of near-record size. Estimates of the number of cattle on feed August 1 indicate that a much smaller-than-usual proportion of cattle shipped into the Corn Belt this year was put on feed before August 1. Large numbers of feeder cattle were carried on grass through the summer and early fall, and will be put on grain feed during the late fall and winter. Abundant moisture in September and early October in the Southern Great Plains area from Nebraska to Texas has resulted in excellent wheat pastures. A keen demand to graze cattle on these pastures has developed and a relatively large number of cattle is expected to be winter-fed in that area. Cattle from the wheat pastures usually are marketed in volume during the late winter and spring.

July-September shipments of stocker and feeder cattle into the 11 Corn Belt States were 36 percent greater than a year earlier. They were the largest since 1940. Sales of feeder and stocker cattle amounted to 31 percent of total salable receipts at the 4 principal feeder cattle markets in September 1946 compared with 17 percent of receipts at those markets in 1945.

Table 1.- Feeder and stocker cattle and calves sold at 4 markets ^{1/}

Period	Cattle		Calves		Total	
	1945	1946	1945	1946	1945	1946
	:	:	:	:	:	:
June	34,051	34,216	7,453	10,568	41,504	44,784
July	37,034	69,561	7,450	14,279	44,484	83,840
August	75,718	111,997	9,279	18,826	84,997	130,823
September	109,003	93,333	14,986	24,461	123,989	122,794
October 1-12	65,787	68,062	11,523	18,172	77,310	86,254

^{1/} The four markets are, Chicago, Omaha, Kansas City and South St. Paul.

A factor of some importance in the cattle-feeding situation this year is the marked expansion in cattle-feeding operations by both chain food stores having slaughter facilities and by regular meat packers. These operations are carried on either by buying and leasing large commercial feedlots and operating them, or by having cattle fed on a gain basis by farmers and feedlot operators.

Because of the larger-than-usual proportion of feeder calves and light weight cattle put on grass or grain feed to mid-October, the supply of fed cattle from late spring to early fall 1947 is expected to be larger than in recent years.

Feed costs are high and the cost of feeder cattle also is high. If fed cattle marketings in the late spring and summer are large, returns to feeders from this season's operations may not be so profitable as in 1945-46.

Federally inspected calf slaughter held up fairly well in September and early October. With less rigid ceiling price limitations on live calves than on cattle, slaughterers operating under Federal inspection had been in a much better position to bid for and to get a larger share of the calves marketed. However, the number of heavy beef-type calves slaughtered this year has been

much smaller than the large number slaughtered in the last two years. In contrast high unit returns from dairy products are encouraging dairymen to save as much milk as possible by selling dairy calves for slaughter in relatively large numbers. The lifting of price controls was followed by a material increase in the number of heavy calves slaughtered.

Heavy Winter Marketing of Hogs in Prospect;
Reduced Supply Next Spring and Summer

Record low inspected hog slaughter in September and early October followed a slaughter in July-August that was 35 percent greater than a year earlier. However, available data indicate that total hog slaughter in June-September this year was around 10 percent smaller than a year earlier. This is about the reduction for the period which normally would have been expected as the number of hogs over six months of age on farms June 1 was estimated to have been 10 percent less than on that date in 1945.

The number of hogs on farms October 1 from the 1945 fall pig crop, and other older hogs, apparently was moderately smaller than a year earlier. But the number of 1946 spring pigs on hand was slightly greater than the number of 1945 spring pigs on hand October 1, 1945. Slaughter of hogs during the first half of October was much less than a year earlier, leaving a larger number of spring pigs than a year earlier for slaughter after October 15.

Large supplies of new-crop corn and higher hog prices will tend to delay marketings of 1946 spring pigs as hogs are fed out to heavy weights. Hog slaughter in the first quarter of 1947 probably will exceed that of the final quarter of 1946.

Beginning in April or May 1947 hog slaughter will be less than a year earlier, possibly by 15 to 20 percent, reflecting the marked reduction in the size of the 1946 fall pig crop. These pigs will largely be marketed in April-September 1947.

Substantial Increase in the 1947 Spring Pig Crop

The decontrol of hog prices will result in a substantial increase in the number of sows bred for spring farrow. Corn prices are likely to decline when new-crop corn is marketed in volume. This would result in a hog-corn price ratio during the breeding season much above the long-time average of 12.2, farm basis. Past relationships between the hog-corn price ratio during the breeding season for spring pigs and the number of sows farrowing indicate that the spring pig crop almost always is increased when the hog-corn price ratio exceeds 13.5.

As a result the number of hogs for slaughter in the period October 1947-March 1948 will be large and may be the largest for the season since 1943-44.

Lamb Slaughter in 1947 to be Below 1946
Ewe Slaughter Shows Signs of Slackening

Slaughter of sheep and lambs under Federal inspection in the first nine months of 1946 totaled only 4 percent less than a year earlier. This large slaughter reflected the large number of lambs fed last winter and spring, early marketings of 1946 spring lambs, and a continued liquidation of ewes.

The slaughter of ewes showed some decline in August from the very high rate of a year earlier, but still made up a large proportion of total sheep and lamb slaughter during the month. Slaughter of sheep and lambs in September and October was less than a year earlier. Slaughter probably will continue less than a year earlier throughout the remainder of 1946, because of the 7-percent reduction in the size of the 1946 lamb crop and early large marketings. Lamb slaughter in 1947 will be further reduced, with most of the reduction occurring after April when new-crop lambs are marketed.

The number of stock sheep on hand January 1, 1947 will be less than the 37.5 million head on hand at the beginning of 1946. This probably will result in a reduction in the lamb crop in 1947 for the sixth successive year.

The total number of lambs to be fed in the winter of 1946-47 probably will be less than the number fed a year earlier. The number of 1946-crop lambs available October 1 for slaughter, flock replacements, and feeding was smaller than the number on hand a year earlier. The number of lambs raised in the Western Sheep States, where most of the feeding lambs are obtained, was over 1 million less than a year earlier, and the number of lambs going to slaughter from these States by October 1 was about as large as the number of 1945 lambs slaughtered to October 1 that year. Since June, the number of sheep and lambs moving to 8 Corn Belt States for feeding have been smaller than a year earlier.

Demand for feeding lambs continues strong with large supplies of feed in the principal lamb-feeding areas. Winter wheat pastures in the Southern Great Plains showed a marked improvement in September and by early October seldom looked better. The smaller number of strictly feeder-type lambs, together with the strong demand, will result in continuing high prices for feeding lambs. Feeding lamb prices at Omaha in mid-October averaged around \$3.00 higher than a year earlier.

GOVERNMENT ACTIONS

Meat Price and Distribution Controls Lifted

On October 15, price ceilings were removed on food and feed products processed in whole or substantial part from livestock. These products included: lard, rendered pork fat, edible tallow, oleo stock, oleo oils and oleostearine, meat scraps, digester tankage, blood meal, blood flour, and dried blood when used in food or feed products, and all meats including edible offals. Hides and inedible tallows and greases were the principal livestock products remaining under price control on October 15.

OPA's slaughter control program, including quotas on slaughter and other meat distribution amendments, also was revoked effective October 15. Reconstruction Finance Corporation subsidies to cattle, calf, and hog slaughterers were discontinued. Government orders requiring the compulsory grading of beef, veal, lamb, and mutton were terminated.

Quarantine Lifted on Cattle Imported from Mexico

On October 18 the Department of Agriculture lifted the quarantine on imports of cattle from Mexico, established June 5. This will allow up to 500,000 cattle annually to enter the United States, the quota now set by the Mexican Government. With the high level of cattle prices prevailing, large numbers are expected to come into the country. During the quarantine, cattle entering from Mexico were subject to a 15-day quarantine at the border as a precaution against the introduction of hoof-and-mouth disease into the United States. Apparently no cattle were passed for entry during the quarantine.

United States imports of cattle from Mexico in 1945 totaled 435,435 head, compared with 301,126 head in 1944 and 587,936 in 1943. Imports of Mexican cattle through June 5, 1946 totaled 234,768 head. Usually the bulk of cattle imported from Mexico come in during the first quarter. Mexican cattle imported are largely stockers and are usually grazed several months before being grain fed or slaughtered. Almost 85 percent of the cattle imported by the United States since 1943 have been from Mexico. Canada, the other large prewar source of imported cattle, embargoed exports other than milk cows June 15, 1942 to insure domestic beef supplies and meat supplies for export. Canadian meat exports have been allocated largely to the United Kingdom.

Spring Pig Goal Set at 58 Million
Hog Support Price Announced

The Department of Agriculture on October 4, 1946 announced a 1947 spring pig goal of 58 million head. Such a crop would be about 11 percent above the 52.3 million spring pigs produced in 1946 and about equal to the average for the years 1941-45. In the Corn Belt States the goal is for an average of 15 percent more sows farrowing, while in all other areas the average increase is 9 percent.

A revised schedule of support prices for the hog-marketing year beginning October 1, 1946 was announced October 4. The new support price averages for the crop year around \$14.25 for good and choice butcher hogs at Chicago, varying from a low of \$12.75 in December 1946 to a high of \$15.75 in September 1947. The revised schedule of support prices is \$2.25 per hundred pounds higher than the schedule previously announced with the upward revision resulting from a rise in the parity index of 26 points (15 percent) from September 1945 to September 1946. Hogs are to be supported at not less than 90 percent of parity at least through 1948. Hogs are the only meat animals for which price supports are mandatory under existing legislation.

Table 2.- Weekly average support prices per 100 pounds of live hogs,
 Chicago, October 1, 1946 - September 30, 1947

Effective date beginning:	:	Support price	:	Effective date beginning:	:	Support price
1946	:	Dollars	:	1947	:	Dollars
October 1	:	15.00	:	February 2	:	14.00
6	:	14.75	:	23	:	14.25
13	:	14.50	:	March 2	:	14.50
20	:	14.25	:	April 6	:	14.25 15.25
27	:	14.00	:	27	:	14.00
November 3	:	13.75	:	June 22	:	14.25
10	:	13.50	:	29	:	14.50
17	:	13.25	:	July 6	:	14.75
24	:	13.00	:	13	:	15.00
December 1	:	12.75	:	20	:	15.25
29	:	13.00	:	August 10	:	15.50
	:		:	31	:	15.75 17.25
1947	:		:	September 29	:	
January 5	:	13.25	:	ending	:	
12	:	13.50	:	September 30	:	15.50
26	:	13.75	:		:	
	:		:		:	
	:		:		:	

USDA Meat Board Discontinued

The USDA Meat Board was discontinued October 1 following the sharp curtailment of Government procurement functions and other activities affecting meat. The Board, consisting of members of the meat industry, and representatives of the Department of Agriculture, the U. S. military services, and the Office of Price Administration, was originally set up at the War Meat Board in June 1943. Following the end of hostilities the War Meat Board was reorganized as the USDA Meat Board. The new Board consists only of representatives from the packing industry and the U. S. Department of Agriculture. It had the function of coordinating Government procurement and distribution programs, as well as other matters pertaining to the wartime meat management program. The Board set up a system of estimating federally inspected slaughter and meat production weekly and compiled statistics of meat distribution. These functions will be continued in the Department.

THE WOOL SITUATION

Selling Prices for Domestic
Wool Increased

Selling prices for CCC owned domestic wools were increased on October 14, to bring them in line with parity. The increase was necessary because of the rapid increase in recent months in the parity index (prices paid by farmers, including interest and taxes) on which wool parity is based. CCC cannot sell supported commodities at less than parity under existing legislation.

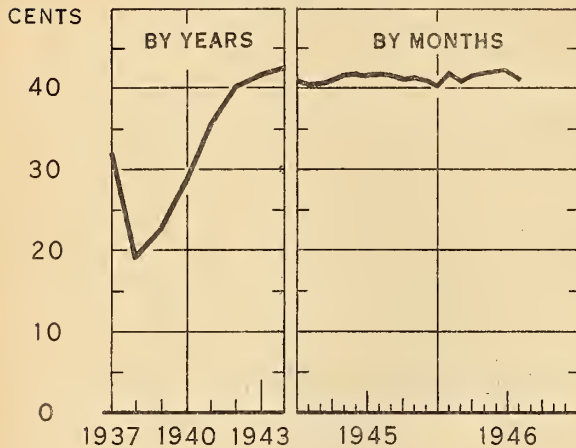
The increases for most graded territory and Texas wools ranged from 1 to 5 cents a pound, scoured basis, depending on grade and staple. Increases were largest on strictly staple wools and on certain clothing types. Graded strictly combing 64s and finer territory wools are \$1.07 a pound, scoured basis, under the October schedule compared with the previous selling price of \$1.02 a pound. The price for average to good French combing length 64s and finer under the new schedule is \$1.03 a pound compared with the previous price of \$1.00 a pound. Graded strictly combing 3/8 blood (563-583) territory wools are 96 cents a pound, scoured basis, compared with the earlier price of 92 cents a pound.

Further changes in CCC selling prices will depend, in part, on changes in parity, but changes in prices in foreign markets may also be a factor. During the early part of 1947 the parity price may be somewhat above the September 15 parity price of 36.6 cents.

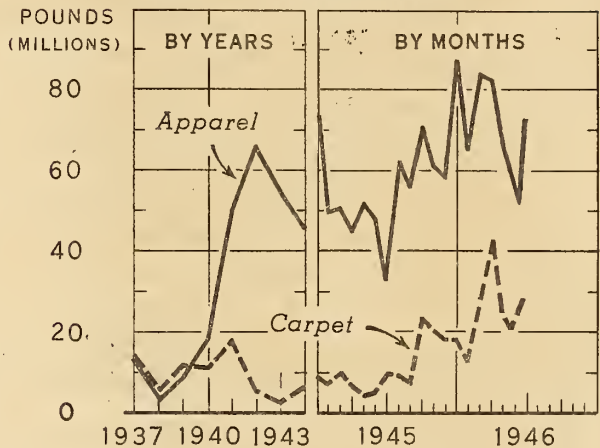
Prices to growers are not affected by the change in CCC selling prices. The CCC will continue to purchase wool until April 15, 1947 at purchase prices which average about 15 percent higher than the revised selling prices. The mid-September price received by farmers for wool was 41.1 cents, 112 percent of parity.

WOOL SITUATION IN THE UNITED STATES AT A GLANCE

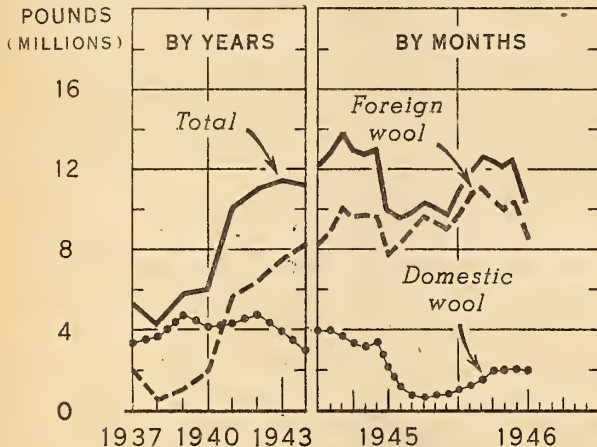
PRICES RECEIVED BY FARMERS, GREASE BASIS



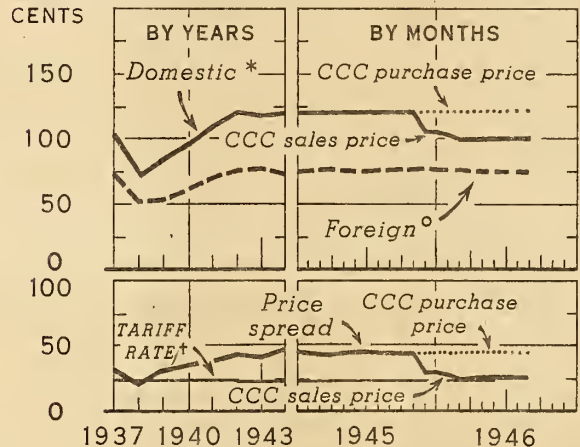
IMPORTS (ACTUAL WEIGHT), MAINLY GREASE BASIS



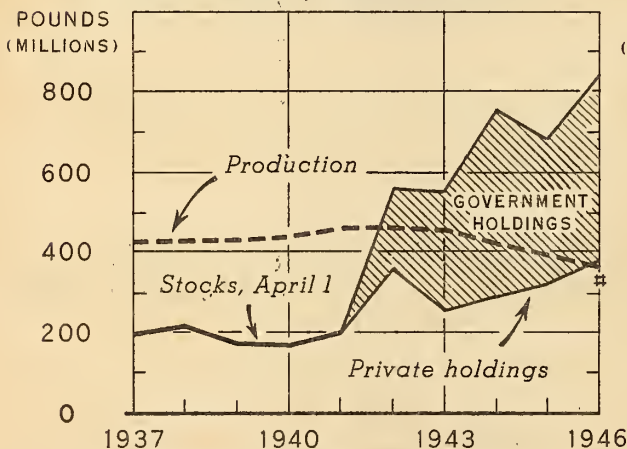
MILL CONSUMPTION OF APPAREL WOOL, WEEKLY AVERAGE, SCOURED BASIS



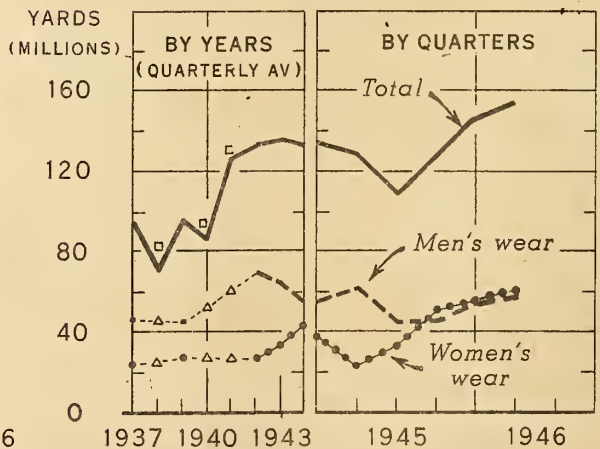
PRICES OF DOMESTIC AND FOREIGN FINE WOOLS, SCOURED BASIS, AT BOSTON



PRODUCTION AND CARRYOVER OF APPAREL WOOL, GREASE BASIS



WOVEN FABRIC PRODUCTION



* TERRITORY FINE COMBING

° AUSTRALIAN 64'S, 70'S GOOD TOP MAKING, EXCLUDING DUTY

† LESS AN ALLOWANCE FOR DIFFERENCE IN PREPARATION OF WOOLS

‡ TENTATIVE

□ ESTIMATED ON BASIS OF APPAREL FABRIC PRODUCTION

△ DATA FOR INTERVENING YEARS NOT AVAILABLE

Table 3.- CCC purchase prices and selling prices for selected grades of domestic wool, scoured basis, 1946

Grade	Purchase price	Selling price	
		Effective beginning	Effective beginning
		August 5	October 14
		Dollars	Dollars
Territory wools			
64s and finer			
Strictly staple	1.21	1.02	1.07
Average and good French combing	1.18-1.19	1.00	1.03
Half-blood			
Good French combing 60s or finer	1.17	.97	1.03
Staple, bulk 60s	1.16	.97	.98
Three-eighths blood			
Strictly staple 58/56s	1.09	.92	.96
Good French combing 56s	1.04	.90	.92
Quarter-blood			
Staple 50s	1.00	.87	.90
Staple 48/50s	.96	.87	.88
Low quarter-blood			
44s-48s	.93	.75	.80
Bright and semi-bright fleece wools			
64s and finer			
Staple and big French combing	1.21	1.04	1.09
Average to good French combing bright	1.15-1.17	.97	1.01
Average to good French combing semi-bright	1.15-1.17	.97	.97
Half-blood			
Staple 60/58s	1.14	.97	.97
Short French combing	1.10	.92	.90
Three-eighths blood			
Staple 56/58s	1.04	.90	.93
Short French combing 56/58s	1.00	.82	.86
Quarter blood			
Staple 50/48s	.96	.87	.87
Low quarter-blood			
44s-48s	.90	.72	.72

Compiled from P.M.A. price schedules

Prices Higher in Foreign Markets

Largely as a result of continental European buying, wool prices have advanced quite sharply in foreign markets since auctions of British Dominion wools were resumed in September. Prices of fine wools in Australia were reported in early October to be about 20 percent above last season's Government issue prices. Prices at early South African sales were reported to be 15 to 25 percent above those of last season. Prices also have advanced in South American markets. Because of OPA ceilings, these price increases have

not been reflected in spot quotations for foreign wool in the United States, as foreign wool now being sold by dealers was purchased at last season's prices. Present prices in foreign markets are reported to be considerably higher than ceiling prices now in effect on dealers' resales of foreign wool in the United States. They also appear to be somewhat higher than present CCC selling prices for fine domestic wools, when converted to an equivalent duty-paid basis.

Only new season wool was offered at the early sales in Australia and South Africa. Commercial buying was very active so that only a few odd lots were bought at reserve prices by the British Joint Organization (J.O.). Wools offered at the London sales consisted entirely of carry-over wools owned by the Joint Organization.

CCC Sales of Domestic Wool Increased

CCC sales of domestic wool increased considerably in September and early October. Higher prices for wool in foreign markets, and anticipation of an increase in selling prices for CCC wools were largely responsible for the increase. Sales in the last two weeks of September were estimated to total between 25 and 30 million pounds compared with about 13 million pounds for the first half of the month. Estimated total sales for September, at an annual rate, were about 40 percent larger than estimated 1946 production. Sales consisted chiefly of fine and half blood territory and Texas wools. Demand for medium grades was small during most of the last month.

Wool Imports Decline

Imports of dutiable apparel wool totaled 66 million pounds in August compared with 74 million in July and the January-June monthly average of 73 million. Data on arrivals at 3 ports in September indicate a further decline in the import rate. The decline is due in part to seasonal factors in the Southern Hemisphere. Sales of Australian, New Zealand and South African wool were suspended June 30 by the British Joint Organization to facilitate preparations for auction sales in September. Arrivals from these countries in recent months have consisted of wools purchased during the first half of the year, on which shipment was delayed. Relatively high prices in South American markets and a lack of desirable "American-type" wools reduced American purchases in those markets in the latter part of the 1945-46 season which ended September 30.

Imports of "free" wools for floor covering and related uses totaled 22 million pounds in August, compared with 28 million pounds in July and the January-June monthly average of 24 million. Imports of "free" wool probably declined further in September owing largely to a decline in arrivals from Argentina.

Mill Consumption Continues at Near Record Rate. Some Decline Likely in 1947

United States mill consumption of apparel wool in August was at an annual rate of 1,100 million pounds, grease basis. This was 20 percent higher than in July, when many mills were closed during part of the month for workers' annual vacations, and was 4 percent higher than the January-

June rate. Consumption seems likely to continue close to this rate into the early part of 1947, since outstanding mill orders are large, and production of many clothing items is still far short of demand.

Production of wool fabrics thus far in 1946, however, has been at record levels. Production in linear yards in the first 6 months of the year was 6 percent above the wartime peak for a similar period when large quantities were produced for military use. Because of the difference in weight and wool content of military and civilian fabrics, the record fabric production in the first half of 1946 did not result in a new "high" in mill consumption of apparel wool. The January-June production of wool fabrics this year was 60 percent higher than the 1939 rate of production. Civilian consumer demand in 1947 will not be large enough to maintain this rate of production after commercial inventories have been built up. Hence, mill consumption is expected to decline from the present high rate in 1947. But with anything like the current level of consumer incomes, consumption should continue much larger than the 1935-39 average of close to 600 million pounds, grease basis.

Domestic wool formed an increasing proportion of total mill consumption of apparel wool during July and August, and this shift seems likely to continue. Factors favoring increased use of domestic wool are (1) the recent increase in wool prices in foreign markets which must soon be reflected in higher prices for imported wool in this country and (2) the increasing availability of labor in the wool textile industry. When labor is a limiting factor in mill output, mills prefer foreign wool to domestic because less work is required in processing foreign wool.

Improved Fabric Position Ends Woolens Set-Aside

Mills will not be required to set aside wool fabrics for the Civilian Production Administration's low-cost clothing program during the 4th quarter of the year under a revision of Schedule K, announced October 1. The wool fabric set-asides have been terminated because supplies of wool fabrics now seem large enough to fill manufacturers' requirements. However, manufacturers of men's and boys' suits, trousers, overcoats, and top coats can obtain special priority assistance to secure wool fabrics, or rayon and cotton fabrics for lining and components, if this is necessary to maintain maximum production of these clothing items which are still in short supply.

Ending of the wool set-asides reflects the more favorable position of the wool section of the textile industry in meeting current demands. Rayon and cotton mills are still required to set aside or reserve certain amounts of their production of fabrics for essential civilian clothing.

United States Largest Buyer of Southern Hemisphere Wools

The United States was again the most important buyer of Southern Hemisphere wools in the 1945-46 season, a position held continuously since 1940. Shipments from 5 Southern Hemisphere countries to the United States in the 1945-46 season totaled about 1,045 million pounds, including both apparel and carpet wool, and were almost half of total shipments from those countries. The 1945-46 shipments to this country were half again as large as in 1944-45 and almost 10 times as large as the 1934-38 average. They were considerably larger than the domestic consumption of such wool.

Exports to all countries from the 5 Southern Hemisphere countries were slightly more than 2 billion pounds in the 1945-46 season, about 76 percent larger than in the preceding season and 26 percent larger than the 1934-38 average. In addition to the large shipments to the United States, substantial quantities were shipped to the United Kingdom for current use and for storage prior to the London sales which opened in September. Fairly large shipments also were made to France and Belgium and to other European countries.

United States purchases of Southern Hemisphere wool in the current season are likely to be much smaller than last season. Mill stocks in this country are now large, and consumption probably will be smaller in 1947. The increase in prices for foreign wool may also tend to reduce purchases in foreign markets. But purchases by United States buyers probably will continue much larger than in the immediate prewar years.

Table 4.- Wool exports from 5 Southern Hemisphere countries, actual weight, average 1934-38, annual 1939-45

Year 1/	Australia		New Zealand		Union of South Africa		Argentina		Uruguay		Total	
	To	U.S.	To	U.S.	To	U.S.	To	U.S.	To	U.S.	To	U.S.
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
Average :												
1934-38 :	26	827	15	263	2	231	53	305	15	115	111	1,741
1939 :	17	862	14	277	37	181	137	282	37	106	242	1,708
1940 :	278	537	3	199	29	60	349	418	120	145	779	1,359
1941 :	558	816	14	205	199	288	220	243	43	58	1,034	1,610
1942 :	348	557	15	209	38	100	153	178	98	105	652	1,149
1943 :	262	509	27	244	20	52	199	225	100	110	608	1,140
1944 :	260	562	33	123	2/21	88	199	266	174	204	687	1,243
19453/ :	340	775	116	349	2/129	390	360	520	100	160	1,045	2,194

1/ Year beginning July 1 in Australia, New Zealand, and South Africa. October 1 in Argentina and Uruguay.

2/ Declared exports to the United States.

3/ Preliminary estimates based on incomplete statistics.

Compiled from official sources. Office of Foreign Agricultural Relations.

Prices per pound of wool and other textile fibers, United States, 1943-46

Item	Annual average			1945		1946	
	1943	1944	1945	Sept.	July	Aug.	Sept.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Prices received by farmers :							
grease basis 15th of month:	41.6	42.4	41.2	41.5	42.3	41.8	41.1
Boston market: 1/ :							
Territory, scoured basis :							
64s, 70s, 80s, staple comb:	117.8	119.0	117.7	119.0	99.5	99.5	99.5
56s combing	104.2	104.5	103.5	104.5	88.5	88.5	88.5
Bright fleece, greasy - :							
64s, 70s, 80s, delaine ...	46.9	47.0	47.0	47.5	40.0	40.0	40.0
56s combing	54.2	54.5	54.0	54.5	46.5	46.5	46.5
Foreign wool, in bond: :							
Scoured basis - :							
Australian 64s 70s good:							
top-making 2/	75.9	72.1	75.2	75.5	74.5	74.5	74.5
Cape, short combing	72.5	72.5	72.5	72.53/67.5	3/67.5		--
Grease basis - :							
Montevideo 60-64s	41.4	39.4	39.6	39.5	41.5	41.5	43.0
Montevideo 1s (56s)	41.4	40.7	42.2	42.0	42.5	42.5	43.5
Other textile fibers: :							
Cotton, 15/16-inch :							
Middling 4/	20.6	21.2	22.6	22.5	33.4	35.5	36.9
Rayon staple fiber 5/							
Viscose 1-1/2 denier ...:	24.4	24.8	25.0	25.0	25.0	25.0	25.0
Acetate 5 denier	43.0	41.9	38.0	38.0	38.0	38.0	38.0

Domestic wool prices are from the Production and Marketing Administration; foreign wool prices are from the Boston Commercial Bulletin except as noted, and are before payment of duty.

1/ Domestic wool prices based on CCC selling prices, 1944 to date. 2/ Quotations on spot wool from the Production and Marketing Administration. 3/ New series beginning 1946 prices are for Cape 10-12 months superior spinners style, and are not strictly comparable with earlier data. 4/ Average at 10 markets. 5/ F.O.B. producing plants. Bureau of Labor Statistics.

Wool: Mill consumption in the United States, 1944-46

Item	Total		Weekly average				
	1944	1945	Jan.-July 1945	July 1945	June 1946	July 1946	July 1946
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Grease basis:							
Apparel wool :							
Domestic	318,595	251,735	7,019	3,509	4,494	4,366	4,145
Foreign	690,364	761,046	14,523	14,409	12,478	16,920	13,542
Total	1,008,959	1,012,781	21,542	19,918	16,972	21,286	17,687
Carpet wool ..	61,166	76,087	1,026	3,206	824	3,606	2,547
Scoured basis :							
Apparel wool :							
Domestic	150,861	120,357	3,330	1,669	2,080	2,082	1,917
Foreign	426,152	468,891	8,999	10,026	7,704	10,319	8,270
Total	577,013	589,248	12,329	11,695	9,784	12,401	10,187
Carpet wool ..	45,757	55,885	752	2,285	602	2,567	1,832

Compiled from reports of the Bureau of the Census.

1/ Five week period. 2/ Four week period.

Livestock prices per 100 pounds (except where noted), marketings and slaughter statistics, by species, September 1946, with comparisons

PRICES								
Item	Annual	January-Sept., 1945				1946		
	Av. 1937-41:	1945	1945	1946	Sept.	Aug.	Sept.	
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	
Cattle and calves								
Beef steers sold out of first hands, Chicago:								
Choice and prime	12.01	17.30	17.04	19.15	17.44	24.63	20.25	
Good	10.52	16.00	15.92	17.71	16.15	20.73	19.58	
Medium	8.94	14.12	14.07	15.85	13.30	16.60	17.44	
Common	7.59	11.73	11.83	13.12	10.59	13.65	12.38	
All grades	10.47	16.18	16.03	17.84	16.62	21.71	17.99	
Good, grade cows, Chicago	7.38	14.01	14.11	14.55	13.15	14.50	15.51	
Vealers: Gd. and ch., Chicago ..	10.34	15.12	15.26	15.93	13.93	16.83	16.17	
Stocker and feeder steers,								
Kansas City	8.36	13.07	13.30	15.32	12.25	15.51	15.99	
Av. price rec'd by farmers: ...								
Beef cattle	7.41	12.10	12.47	14.21	11.80	17.00	15.20	
Veal calves	8.72	13.20	13.50	14.82	12.90	16.20	15.50	
Hogs								
Av. market price, Chicago:								
Barrows and gilts	-	14.75	14.75	16.15	14.75	21.93	16.25	
Sows	-	13.99	14.00	15.33	14.00	19.98	16.25	
All purchases	7.97	14.66	14.64	15.97	14.54	20.84	16.25	
Av. price rec'd by farmers for:								
hogs	7.59	14.00	14.03	15.41	14.10	20.90	15.70	
Av. price rec'd by farmers for:								
corn 1/	62.9	109.7	109.2	141.9	112.0	180.0	173.0	
Hog-corn price ratio, U.S. 2/	12.8	12.8	12.9	11.1	12.6	11.6	9.1	
Sheep and Lambs								
Lambs, gd. and ch., Chicago	9.82	15.48	15.66	17.22	13.68	20.06	19.16	
Feeding lambs, gd. & ch., Omaha:	8.70	12.70	13.96	15.74	14.51	16.53	17.26	
Ewes, gd. and ch., Chicago	4.43	7.69	8.08	8.18	5.93	7.09	9.13	
Av. price rec'd by farmers:								
Sheep	4.20	6.35	6.63	7.13	5.89	7.19	7.54	
Lambs	8.28	13.00	13.32	14.48	12.50	16.30	15.80	
BLS index retail meat prices 4/	100.9	131.1	131.2	149.2	131.6	186.6	188.5	
Index income of industrial workers 5/	120.4	285.7	304.8	--	230.1	283.3	--	
Number slaughtered under Federal inspection and market statistics								
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	
Cattle	9,999	14,538	10,429	7,611	1,353	1,240	360	
Calves	5,571	7,020	4,813	3,933	666	534	364	
Sheep and lambs	17,609	21,220	15,624	15,018	1,658	1,573	1,300	
Hogs	41,223	40,960	28,743	30,712	1,922	2,843	438	
Av. live weight of hogs,	-lb.-	-lb.-	-lb.-	-lb.-	-lb.-	-lb.-	-lb.-	
7 markets	--	269	277	267	312	275	290	
Percent packing sows are of	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
all purchases, 7 markets	--	9	9	13	31	42	42	
1/ Cents per bushel 2/ Number of bushels of corn equivalent in value of 100 pounds of live hogs. 3/ Average of prices for Jan., Feb., Mar., Apr., Aug., and Sept. 4/ Meats, poultry and fish: Bureau of Labor Statistics, 1935-39=100. 5/ 1935-39=100								